



AUG 14 2012

**STATE OF DELAWARE
PUBLIC SERVICE COMMISSION**

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CANNON BUILDING, SUITE 100
DOVER, DELAWARE 19904

TELEPHONE: (302) 736-7500
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August 7, 2012

Mr. David Appelbaum
PHMSA Office of Pipeline Safety
East Building, Room E22-321
1200 New Jersey Avenue, SE
Washington, D.C. 20590

RE: Cast Iron Pipeline Update for Delaware

Dear Mr. Appelbaum:

The Delaware Public Service Commission is pleased to respond to Jeffrey D. Wiese's letter, dated June 13, 2012, requesting an update on the replacement of cast iron natural gas pipelines in Delaware.

Delaware has two natural gas distribution companies; Chesapeake Utilities Corporation (Chesapeake) and Delmarva Power & Light Company (Delmarva Power). Over four years ago, Chesapeake eliminated the last cast iron pipeline in its system. Delmarva Power has 96 miles of cast iron remaining -- out of its 1,927 miles of distribution main. Over the past ten years, Delmarva Power has eliminated 28% of the cast iron from its system, replacing eight miles in 2011 alone. Delmarva Power has invested an average of \$10 million per year as part of its rehabilitation and replacement program and it projects that all of its cast iron will be rehabilitated or eliminated within the next twenty years.

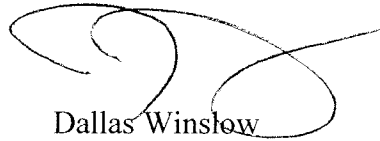
Under its rehabilitation and replacement program, Delmarva Power works closely with other utility companies, municipalities, and state highway officials to coordinate its work with road or other excavation activities, and it promptly responds to lines that are analyzed to be obsolete based on leakage analysis and other continuous surveillance activities. Delmarva Power also notes that it is now implementing ESRI GIS based "Optimain" software as part of its analysis to prioritize which portion of its system should be rehabilitated, repaired or replaced.

In addition to cast iron pipelines, the Delaware Commission closely monitors the amount of bare steel main pipelines in the state. Delmarva Power has nearly eliminated bare steel mains, with less than 6 miles remaining, most of which is cathodically protected. Chesapeake has less than twenty miles of bare steel mains remaining and has estimated that it will be eliminated within the next five to seven years.

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The Delaware Public Service Commission appreciates its partnership with PHMSA's Office of Pipeline Safety and we look forward to continuing to work with PHMSA to ensure the safety of Delaware's pipeline systems. If you have any questions, please contact me at (302) 736-7500, or Jerry Platt, our Pipeline Safety Program Manager, at (302) 736-7526.

Sincerely,



Dallas Winslow
Chair

GP/acb

cc: William O'Brien, Executive Director
Jerry Platt, Pipeline Safety Program Manager